

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 124207

42

ORIGIN COME-00

INFO OCT-01 EA-06 ISO-00 EB-07 L-03 CIAE-00 INR-07 NSAE-00

/024 R

DRAFTED BY COM/BIC/OED/MEPD/TJASPER/CF

APPROVED BY EB/OCA/REP/EMCKEON

COM/BIC/OED/MEPD/CATKINS

COM/BIC/OED/MEPD/JMSANDS, DIR.

COM/BIC/OIM/(INFO)

STATE/EA/IMS/ADORNHEIM/

----- 101644

R 282244Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

LIMITED OFFICIAL USE STATE 124207

E.O. 11652: N/A

TAGS: BEXP, ID

SUBJECT: KRAKATAU STEEL

REF: JAKARTA 5844, STATE 109075

PLEASE PASS TO HEGINBOTHAM FROM SANDS

1. ARMCO INFORMS THAT THE ARMCO/KAISER ENGINEERING JOINT VENTURE HAS OBTAINED A CONTRACT TO ACT AS CONSULTANT TO KRAKATAU FOR THE IMPLEMENTATION OF PHASE I AND THE RESTRUCTURING OF PHASE II. SCOPE OF WORK INCLUDES THE FOLLOWING; TECHNICAL OPERATING AND MANAGEMENT ASSISTANCE, AND DEVELOPMENT OF THE OVERALL KRAKATAU MASTER PLAN; CONSTRUCTION MANAGEMENT AND ENGINEERING SERVICES, ALONG WITH PROCUREMENT SERVICES; AND RENEGOTIATING AND TENDERING CONTRACTS ANEW WHERE FEASIBLE.

2. WE BELIEVE THIS IS AN EXCELLENT EXAMPLE OF THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 124207

BENEFITS WHICH CAN RESULT FROM A CLOSE WORKING RELATION-

SHIP BETWEEN INDUSTRY AND GOVERNMENT IN PURSUIT OF MAJOR PROJECT AWARDS. ARMCO FEELS THAT THE TASK FORCE VISIT IN DEC 1973 WAS THE KEY ENABLING THEM TO OBTAIN THIS CONTRACT. THEY HAVE EXPRESSED PRAISE FOR THE EMBASSY'S AND USG'S EFFORTS ON THEIR BEHALF BEFORE AND AFTER THOSE MEETINGS.

3. WE UNDERSTAND THAT, WITH THE EXCEPTION OF THE SWINDELL-DRESSLER CONTRACT, ALL THE CONTRACTS ON PHASE I WERE LET TO GERMAN FIRMS. ARMCO-KAISER WILL RENEGOTIATE AND WHERE NECESSARY AND FEASIBLE BREAK THESE CONTRACTS IN ORDER TO BRING THEM TO INTERNATIONAL TENDER. THIS COULD PRESENT SIGNIFICANT OPPORTUNITIES FOR U.S. FIRMS. WE UNDERSTAND THERE WILL NOT BE DISCRIMINATION AGAINST AMERICAN PROPOSALS. EMBASSY WILL WANT TO FOLLOW THESE DEVELOPMENTS CLOSELY IN ORDER TO IDENTIFY THE OPPORTUNITIES AND FACILITATE ENCOURAGING U.S. PROPOSALS.

4. MCKEE NOT PARTICIPATING.

5. BOTH ARMCO AND KAISER AWARE OF SERIOUS POLITICAL COMPLICATIONS SURROUNDING KRAKATAN PROJECT AND WE WILL ENCOURAGE THEM TO KEEP IN CLOSE TOUCH WITH EMBASSY. INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE124207
Document Source: CORE
Document Unique ID: 00
Drafter: BIC/OED/MEPD/TJASPER/CF
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750187-1126
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750512/aaaaakjt.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 JAKARTA 5844, 75 STATE 109075
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by CunninFX>; APPROVED <17 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KRAKATAU STEEL
TAGS: BEXP, ID
To: JAKARTA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006